

Report to the Schools Forum
Meeting to be held on Tuesday 4th July 2023

Item 8

Schools Budget Outturn 2023/24

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Brief Summary

This report provides details of the 2022/23 Schools Budget final financial outturn position, in relation to each funding block.

Recommendation

The Forum is asked to:

- a) Note the report and the 2022/23 Schools Budget final financial outturn position.
- b) Express any views in relation to each funding block outturn position for 2022/23.

Detail

This report provides information on the Schools Budget outturn position for 2022/23

The Overall Schools Budget outturn position for 2022/23 shows an underspend of circa £8.4m.

Further details are provided below in connection with each funding block.



Central Schools Services Block (CSSB) (Draft)

CSSB 2022/23			
	Budget (£)	Actual (£)	Variance (£)
CSSB			
ESG Retained Duties (transferred to DSG)	2,591,000	2,591,000	0
Overheads	850,800	851,000	0
Copyright Licence	1,016,000	1,016,063	-63
School Forum	188,000	188,000	0
Pupil Access (Admissions)	1,400,000	1,400,000	0
Rates Rebates	-75,000	78,539	-153,539
PFI - Sixth Form	867,840	977,422	-109,582
Total Grant	-6,838,640	-6,838,441	199
Total Variance	0	263,583	263,383

Rates Rebates

The rates rebate budget estimated a £75k level of income from rateable value challenges throughout the year, but there was actually a net expenditure of around £78k against this budget line, giving a total variance of just over £153k. Expenditure relates to a contribution to the LCC Estates team to facilitate the school rateable value challenges and the payment of rates rebates to schools in accordance with the Forum policy.

As we are at the end of the current ratings cycle, there are reduced opportunities for rateable value appeals, but over the lifetime of the current schools forum policy, the arrangements have generated significantly more income than has been paid out.

PFI - Sixth Form

This budget line ended the year over £110k overspent. This was due to ongoing expenditure on the former Thomas Whitham Sixth Form PFI site, mainly attributable to utilities costs, that must continue whilst the sites are converted to use by other schools.

Other CSSB budget lines ended the year on or near the agreed budget level.

Schools Block – To be confirmed at a later date.



High Needs Block (Draft)

High Needs Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
Mainstream Schools	15,499,953	23,157,357	7,657,404
Special Schools	69,311,571	76,722,970	7,411,399
Alternative Provision	10,438,784	12,814,065	2,375,281
Further Education - Post 16	11,000,000	9,857,055	-1,142,945
Commissioned Services	36,423,254	43,297,781	6,874,527
Exclusions	-400,000	-1,182,348	-782,348
High Needs Growth	17,142,970	0	17,142,970
Total Grant	-159,416,532	-163,899,157	-4,482,625
TOTAL VARIANCE	0	767,723	767,723

The outturn position for the 2022/23 High Needs Block (HNB) revealed a circa £750,000 overspend. Further information is provided below:

Maintained Schools

Actual costs on all elements of maintained schools HNB expenditure, including mainstream schools, special schools and PRUs were above the budgeted figure. Please note, £6.2m of the overspend relates to the Additional High Needs Supplementary Grant, which is reflected in the total grant figure. The most significant variance related to mainstream schools and represented a circa 50% growth in funding compared to the budget. Special Schools grew by over 10% and Alternative Provision by 20%.

Further Education - Post 16

The Further Education - Post 16 budget had a reduction of £1.1m or circa 10%.

Commissioned Services

The commissioned services expenditure ended the year with an overspend of over £6.8m. As per established practice, a more detailed breakdown of the HNB expenditure against the agreed budget lines is provided at Annex A. Of particular interest to the Forum on the commissioned services breakdown will be the £9.6m overspend on the Out-county budget. This overspend figure is a c£6m increase in expenditure compared to 2021/22. As members will be aware, strategies are being deployed to enhance maintained provision within the county, through the AP Strategy,



SEN Units and increased special school capacity, but this will take time to feed through into the budget position.

Exclusions

The original 2022/23 budget estimated that £0.4m income would be generated for High Needs Block establishments as funding followed pupils who were excluded from mainstream schools during the year. The actual income was circa £1.1m, created a variance of just under £0.7m

High Needs Growth

When the 2022/23 Schools Budget was being set, provision was made for HNB growth, which was forecast at circa £17m for the year. This provision was utilised in year to offset the increased expenditure of circa £10m across HNB school budget lines. It should be noted that the level of in year HNB growth has been running at very roughly circa 10% of HNB budget for a number of years.

The year end deficit of £750k on the High Needs Block signifies the need for caution on High Needs funding levels and expenditure going forward. The levels of DSG increases are expected to reduce in future years, early indications are 3% in 2024/25 with future expenditure forecasted at 8%, which are likely to again place considerable pressure on high needs funding and reserves.

DSG grant

The DSG grant for the HNB in 2022/23, was circa £4.4m under budget, mainly due to the £6.2m Additional High Needs Supplementary Grant. A further £1.8m overspend relates to the Hameldon PFI allocation which was removed from the Schools Block and expected to be transferred to High Needs Block. Following confirmation from the ESFA, the funding will be reallocated in 2023/24 to the CSSB.

High Needs Funding Block Monitoring at Year End 2022 23 can be found in Appendix A.



Early Years Block (EYB) (Draft)

Early Years Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
2YO	1,525,946	2,048,437	522,491
3_4 YO	20,541,451	19,142,146	-1,399,305
PVI			
2YO	7,016,599	8,543,498	1,526,899
3_4 YO	50,769,678	50,058,925	-710,753
Early Years DAF	363,200	240,000	-123,200
Early Years PPG	937,727	938,897	1,170
Commissioned Services			
SEND Inclusion Fund	500,000	1,005,885	505,885
Total Grant	-80,654,601	-83,008,399	-2,353,798
TOTAL VARIANCE	1,000,000	-1,030,611	-2,030,611

The Early Years Block outturn position for 2022/23 indicates a circa £2m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

Further information is provided below:

Maintained Sector

Early Years Block expenditure relating to maintained providers overspent on 2 year olds but a significant underspend on 3&4 year old provision creating a £870k underspend overall.

PVI Providers

The PVI outturn position also revealed a similar pattern, however, an overspend on 2 year old provision and a slight underspend on 3&4 year old provision creating an overspend of circa £810k.

Disability Access Fund

This budget line was circa £123k below budget.

Early Years Pupil Premium

This budget line ended the year on or near the agreed budget level.



Commissioned Services

Commissioned Services in the Early Years Block relates to the Inclusion Fund and expenditure was circa £500k over budget.

Due to the full year effect of the changes introduced part way through 2021/22 has resulted in the inclusion fund expenditure exceeding the budget level.

DSG Grant

The actual grant income for the year was some £2.3m above the original budget, as early years take up was above the level forecast in the original 2022/23 budget. It should be noted that the LA are notified of the forecasted Early Years DSG in December 2021, however, final Early Years DSG was confirmed in July 2022.

Total Variance

The Early Years Block outturn position for 2022/23 indicates a circa £2m underspend which means there would have been an underspend without the circa £1m transfer from reserves.



2022/23 High Needs Funding Block Monitoring at Year End 2022-23

	BUDGET			ACTUAL	
	Approved Budget	Budget Movement	Current Budget	Actual	Full Year Variance to Current Budget Under(-) Over (+)
Expenditure	£	£	£	£	£
<u>Mainstream Schools</u>					
Core Uplift Funding	1,234,145	0	1,234,145	1,506,977	272,832
Additional Support Uplift Funding	182,617	0	182,617	391,172	208,555
Top-up Funding	13,308,043	0	13,308,043	17,981,584	4,673,541
SERF Place Funding	775,148	0	775,148	680,665	-94,482
Additional HNB Funding	0	0	0	854,892	854,892
HNB Additional Supplementary Grant Payment				1,742,066	1,742,066
	15,499,953	0	15,499,953	23,157,357	7,657,404
<u>Special Schools</u>					
Place Funding	30,053,333	0	30,053,333	29,855,000	-198,333
Additional Place Funding	1,500,000	0	1,500,000	2,292,500	792,500
Top-up Funding	22,154,078	0	22,154,078	24,345,183	2,191,105
School Specific Funding	15,604,159	0	15,604,159	15,658,098	53,939
Additional HNB Funding	0	0	0	979,580	979,580
HNB Additional Supplementary Grant Payment				3,592,608	3,592,608
	69,311,571	0	69,311,571	76,722,970	7,411,399
<u>Alternative Provision</u>					
Place Funding	6,720,000	0	6,720,000	6,720,000	0
Additional Place Funding	0	0	0	403,100	403,100
Top-up Funding	3,718,784	0	3,718,784	5,094,315	1,375,531
Additional HNB Funding	0	0	0	122,203	122,203
HNB Additional Supplementary Grant Payment				474,447	474,447
	10,438,784	0	10,438,784	12,814,065	2,375,281
<u>Further Education - Post 16</u>					
Additional Place Funding	0	0	0	0	0
Top-up Funding	3,361,950	0	3,361,950	4,504,308	1,142,358
Independent Specialist Providers	7,638,050	0	7,638,050	4,914,128	-2,723,922
HNB Additional Supplementary Grant Payment				438,619	438,619
	11,000,000	0	11,000,000	9,857,056	-1,142,944
<u>Commissioned Services</u>					
PFI - Special, Nursery	3,150,054	0	3,150,054	2,203,135	-946,919
Early Intervention	350,000	0	350,000	293,015	-56,985
Commissioned Alternative Provision services	1,200,000	0	1,200,000	1,206,064	6,064
Hospital Provision	1,300,000	0	1,300,000	878,291	-421,709
Independent Hospital Provision	0	0	0	81,395	81,395
Education in Residential Homes	0	0	0	0	0
Out County - Specialist provision places	20,500,000	0	20,500,000	30,170,872	9,670,872
Out County - Mainstream / academies places	2,500,000	0	2,500,000	2,463,516	-36,484
Inclusion Service Specialised Equipment	500,000	0	500,000	600,722	100,722
Inclusion Service Inclusion Projects	1,250,000	0	1,250,000	288,882	-961,118
Inclusion Service Teachers & Support	4,000,000	0	4,000,000	3,557,614	-442,386
Multi Agency Development	75,000	0	75,000	75,200	200
Support for Vulnerable Pupils - SI	1,000,000	0	1,000,000	881,076	-118,924
Overheads	598,200	0	598,200	598,000	-200
	36,423,254	0	36,423,254	43,297,781	6,874,527
<u>Other</u>					
High Needs Growth	17,142,970		17,142,970	0	-17,142,970
Exclusions	-400,000		-400,000	-1,182,348	-782,348
	16,742,970	0	16,742,970	-1,182,348	-17,925,318

	159,416,532	0	159,416,532	164,666,881	5,250,349
Income					
<u>DSG</u>					
Provisional High Needs Block Funding as at 16.12.17	166,907,915		166,907,915	166,712,915	-195,000
HNB Additional Supplementary Grant Payment	0		0	6,247,743	6,247,743
DfE High Needs Place Adjustments	-567,500		-567,500	-592,667	-25,167
DfE High Needs deduction for direct funding of places	-8,604,000		-8,604,000	-8,468,834	135,166
Transfer from ISB to High Needs	1,680,117		1,680,117	0	-1,680,117
	159,416,532	0	159,416,532	163,899,157	4,482,625
	159,416,532	0	159,416,532	163,899,157	4,482,625
	0	0	0	767,724	767,724